

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  MIDAMERICAN ENERGY COMPANY	DOCKET NO. RPU-91-5
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**ORDER REQUIRING ADDITIONAL INFORMATION AND  
SCHEDULING INFORMAL MEETING**

(Issued December 26, 2002)

On November 4, 2002, the Utilities Board (Board) issued an order in Docket No. RPU-02-2 approving a settlement authorizing MidAmerican Energy Company (MidAmerican) to increase rates for gas service. One of the issues addressed by the Board in the order was expenditures by MidAmerican for remediation of former manufactured gas plant (FMGP) sites. The settlement agreement approved by the Board provided projected expenditures by MidAmerican for FMGP remediation of \$6,648,629 for 2002, \$6,884,878 in 2003, \$5,287,022 in 2004, \$2,025,000 in 2005, and \$330,000 in the years 2006 through 2011. The revenue requirement approved by the Board included \$4.3 million in annual remediation expenses and MidAmerican indicated the difference between the \$4.3 million and the projected expenditures would be made up through insurance recoveries. Since the use of the insurance recoveries is addressed in a settlement agreement approved in Docket No. RPU-91-5, the Board stated that it would address any issues regarding the use of those insurance recoveries in that docket.

The earlier settlement agreement, approved by the Board in Docket No. RPU-91-5 on October 16, 2000, allowed MidAmerican to use insurance recoveries from the FMGP sites to accelerate remediation for those sites. MidAmerican was required to file a report of expenditures of the insurance recoveries every six months. It is the Board's understanding that there have been significant changes in the remediation process since the Board approved the settlement. These changes involve the amounts being expended for accelerated remediation and the period over which these expenditures are expected to continue.

MidAmerican's October 15, 2002, semi-annual report shows a significant reduction in expenditures from the projected expenditures. The dollar amounts reflected in the November 4, 2002, settlement show an even larger anticipated decrease after 2005. The Board will require MidAmerican to file an explanation detailing the reasons for each of the decreases in expenditures at the sites where accelerated remediation was projected and to provide any documentation of agreements or discussions with the Department of Natural Resources (DNR) regarding the remediation of the FMGP sites. The Board will also schedule an informal meeting so MidAmerican can respond to any questions the Board may have regarding the remediation schedule and expenditures. The Board will invite DNR personnel to attend the informal meeting.

**IT IS THEREFORE ORDERED:**

1. MidAmerican Energy Company shall file on or before January 15, 2002, the information regarding remediation at the former manufactured gas plant sites as described in this order.

2. An informal meeting is scheduled between the Board and the parties in this docket at 2 p.m., January 30, 2003, in Board Conference Room 3.

**UTILITIES BOARD**

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Sharon Mayer  
Executive Secretary, Assistant to

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 26<sup>th</sup> day of December, 2002.